



**Economic and Social
Council**

Distr.
GENERAL

TRANS/WP.6/2002/11 Add.1
20 September 2002

ENGLISH ONLY

ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

Working Party on Transport Statistics
(Fifty-third session, 25-27 November 2002,
agenda item 6)

DEVELOPMENT OF PRICE AND QUANTITY INDICES IN TRANSPORT

Transmitted by the United Kingdom

Note: In relation with the Working Party's discussion about the development of price and quantity indices in transport during its fifty-second session, the United Kingdom submitted this document which is outlining the methodology for setting up consumer price indices in transport.

CORPORATE SERVICES PRICE INDEX (EXPERIMENTAL) – 2nd QTR 2002

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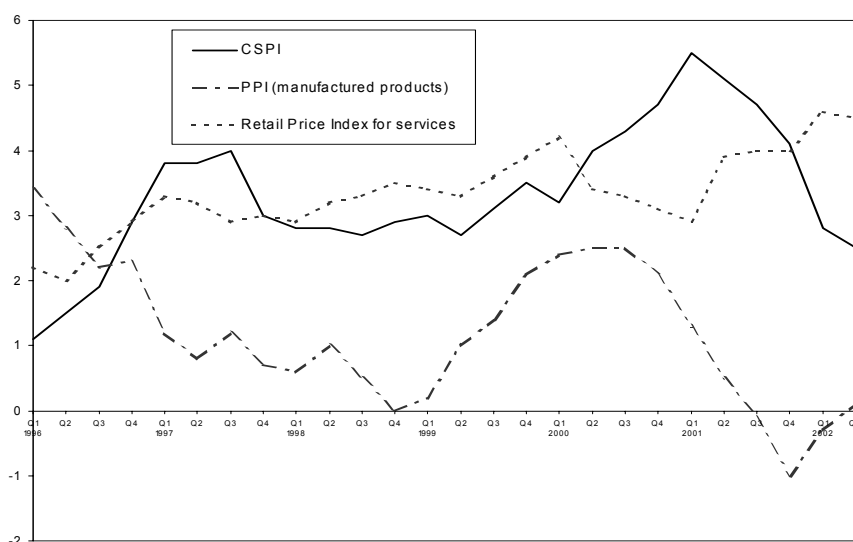
The main uses of the CSPI are as:

- a key indicator of inflation in the services sector;
- a deflator of service sector output for use in calculating GDP and the Index of Services; and
- an information tool for business itself.

N.B. Measurement of service sector prices is inherently difficult and challenging. When viewing the results it **should be borne in mind that the indices shown are regarded as experimental**, particularly those that have been added to the series most recently. Therefore some of the results will be subject to revision before the completion of the CSPI development project. The top-level index should also be viewed as **experimental**.

An article published in the July 2000 issue of Economic Trends contained background details of the development of the CSPI (also available at www.statistics.gov.uk/cspi).

Experimental top-level CSPI compared with the Retail Price Index (RPI) for services and the PPI for manufactured products: percentage change on same quarter a year ago



Results for Quarter 2, 2002

The top-level CSPI is constructed by weighting together the currently available industry-level indices. Coverage at present is around 50 per cent of the total turnover of the targeted corporate services sector.

The graph above shows that the annual rate of increase for the CSPI reduced to 2.5 per cent in Q2 2002, compared to

2.8 for the previous quarter. The annual rate has fallen each quarter from its peak in Q1 2001 (5.5 per cent).

The top-level quarterly results are shown in the table on the next page. Results are also shown with *property rental payments* excluded, due to its relatively high weighting within the top-level index (just under a third).

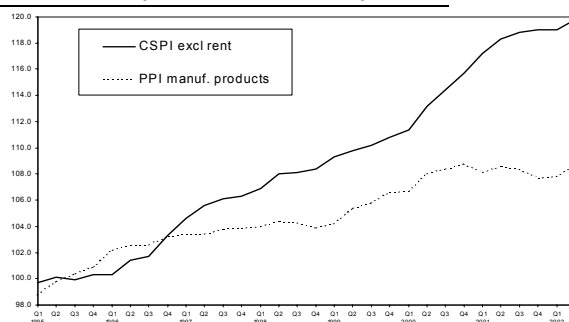
Experimental corporate services price index (CSPI), quarterly index values and percentage changes:

		Quarterly CSPI index values (1995=100)		Percentage change on same quarter in previous year (%)	
		Including rent	Excluding rent	Including rent	Excluding rent
1996	Q1	100.6	100.3	0.7	0.2
	Q2	101.6	101.4	1.3	1.0
	Q3	101.9	101.7	1.7	1.4
	Q4	103.3	103.3	2.7	2.7
1997	Q1	104.5	104.6	3.8	4.3
	Q2	105.4	105.6	3.8	4.1
	Q3	106.0	106.1	4.0	4.3
	Q4	106.4	106.3	3.0	2.9
1998	Q1	107.4	106.9	2.8	2.2
	Q2	108.4	108.0	2.8	2.3
	Q3	108.9	108.1	2.7	1.9
	Q4	109.5	108.4	2.9	2.0
1999	Q1	110.5	109.3	3.0	2.2
	Q2	111.4	109.8	2.7	1.7
	Q3	112.3	110.2	3.1	1.9
	Q4	113.3	110.8	3.5	2.2
2000	Q1	114.1	111.4	3.2	2.0
	Q2	115.8	113.2	4.0	3.1
	Q3	117.2	114.4	4.3	3.8
	Q4	118.6	115.7	4.7	4.4
2001	Q1	120.4	117.2	5.5	5.1
	Q2	121.8	118.3	5.1	4.5
	Q3	122.7	118.8	4.7	3.9
	Q4	123.5	119.0	4.1	2.9
2002	Q1	123.8	119.0	2.8	1.6
	Q2	124.8	119.8	2.5	1.3

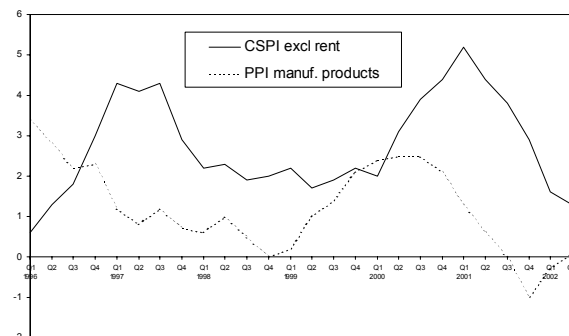
In Q2 2002, the CSPI (including property rental payments) rose by 0.8 per cent. The key contributions to this were price increases for property rentals, national post parcels and road freight, offset by decreases for employment agencies and freight forwarding.

The top-level CSPI (excluding property rental payments) is compared to the net sector output PPI for manufactured products in the top graph on the right. Prices of corporate services covered by this inquiry have shown a relatively smooth upward path since 1997 but have been rising at a greater rate over this period than that of the PPI.

The annual rate for the CSPI has fallen five quarters running. Annual rates for the PPI have risen slightly in the last two quarters after being in decline for over a year.



Experimental top-level CSPI and PPI for manufactured products: percentage change on same quarter a year ago



Experimental top-level CSPI and PPI for manufactured products: index values (1995=100)

Industry-specific indices

The tables on the next 4 pages contain the series for the 28 industries for which indices of corporate services prices are currently available. The weighting for each index is shown separately for when property rentals are included and excluded. Some key points to note are:

- prices for *canteen and catering services* increased by 1.6 per cent in the latest quarter, which is the largest quarterly increase since Q1 2001, and are 2.1 per cent higher than a year ago;
- *bus and coach hire* prices increased by 1.4 per cent this quarter, the largest quarterly increase for two years.
- *sea and coastal water freight* prices show a decrease of 5.6 per cent this quarter, continuing the price decline that began in mid-2001 – caused mainly by increasing competition in the market, according to the industry;
- prices for *freight forwarding* fell by 4.4 per cent over the year which is the largest annual reduction since mid 1999. This is reportedly due to increased competition in the industry;
- *national post parcels* show an increase of 4.5 per cent since last period which is due to the annual price increase in April;
- prices for *business telecoms* have risen by 0.7 per cent this quarter, the largest quarterly increase since the index began. After a general price decline in the industry this reflects a recovery in mobile phone charges in Q2 2002;
- *property rental payments* are 4.7 per cent higher than a year ago, although this is the lowest annual increase since Q1 1999, mainly reflecting rental values for office properties, as reported by data suppliers IPD;
- prices for *employment agencies* have fallen by 0.6 per cent this period, which is the third consecutive quarter showing a decrease – the only reductions since the index began in 1997;
- charges for *waste disposal* have been affected by increases in the rate of Landfill Tax following its introduction in quarter 4 1996. The latest quarter shows a 2.8 per cent increase which, according to the industry, is partly due to the latest increase in the tax that was applied in April. Prices are 5.7 per cent higher than a year ago.

The next set of CSPI results will be issued on 15th November 2002 via the National Statistics website www.statistics.gov.uk (under “Experimental Statistics”).

Note to the main table: There are external sources for the indices denoted by an asterisk, as follows:

Index	Source
Property rental payments	Investment Property Databank (IPD)
Car contract hire and Maintenance and repair of motor vehicles	Yewtree.com Ltd
Construction plant hire	Construction Plant-hire Association (CPA)
Business telecommunications	Published sources: Tarifica Telecom Pricing Intelligence and What Cellphone magazine
Sewerage services	Ofwat (Office of the Water Regulator)
National post parcels	Parcelforce

Corporate Services Price Indices (EXPERIMENTAL) (1995=100)



SIC(92):	Maintenance and repair of motor vehicles*	Canteens and catering	Bus and coach hire	Total	International component	Commercial vehicle ferries	Sea and coastal water freight	Business air fares
1995 net sector weights (%):	50.20	55.50	60.23/1	60.24		61.10/1	61.10/2	62.10/1
(including property rentals)	3.95	0.78	0.59	19.80		0.51	0.59	1.97
(excluding property rentals)	5.71	1.13	0.86	28.63		0.74	0.85	2.85

1996	99.8	..	103.0	103.6	101.1	..	..	103.4
1997	104.5	..	108.5	110.1	104.8	96.9	95.4	115.1
1998	106.0	112.0	115.2	113.2	104.8	96.4	88.6	123.5
1999	108.0	114.7	119.7	115.8	102.0	101.9	79.6	127.2
2000	110.0	115.9	130.5	123.6	103.4	101.3	82.1	135.3
2001	112.6	120.3	135.6	132.9	104.9	101.2	84.9	153.5

(a) Percentage change, latest year on previous year

1996	..	..	..	..	..	..	..	..
1997	4.7	..	5.4	6.3	3.7	..	..	11.3
1998	1.4	..	6.1	2.8	0.1	-0.4	-7.2	7.3
1999	1.9	2.5	3.9	2.4	-2.7	5.6	-10.2	3.0
2000	1.9	1.0	9.1	6.7	1.3	-0.6	3.2	6.3
2001	2.4	3.8	3.9	7.5	1.5	-0.1	3.4	13.5

(b) Quarterly results (not seasonally adjusted)

1997 Q1	104.2	..	106.8	108.0	101.7	99.2	95.2	112.7
Q2	104.4	..	108.4	110.2	105.8	98.0	95.4	113.7
Q3	104.8	111.0	109.2	110.9	105.8	95.8	95.7	116.6
Q4	104.8	110.8	109.8	111.2	105.8	94.4	95.5	117.3
1998 Q1	105.4	110.8	111.9	112.0	104.8	97.0	93.7	119.8
Q2	106.4	111.9	115.5	113.3	105.3	96.3	88.4	124.2
Q3	106.3	112.4	116.2	113.5	105.4	95.9	88.1	124.9
Q4	106.1	112.8	117.1	113.9	103.8	96.6	84.0	125.1
1999 Q1	107.0	113.9	118.4	114.2	103.5	103.8	81.8	125.4
Q2	107.9	114.9	119.5	114.8	101.8	102.7	81.2	127.5
Q3	108.2	115.1	120.1	116.1	101.5	101.5	77.1	127.7
Q4	108.9	115.1	120.5	118.2	101.4	99.6	78.0	128.3
2000 Q1	109.2	115.1	126.6	118.6	102.3	102.1	79.6	129.5
Q2	109.5	116.1	130.8	121.9	102.3	101.5	81.9	132.4
Q3	110.1	116.2	131.9	125.4	102.9	101.4	83.1	135.9
Q4	111.2	116.3	133.0	128.6	106.0	100.3	83.8	143.3
2001 Q1	111.9	119.6	134.2	131.3	106.0	103.7	85.8	150.3
Q2	112.6	120.5	135.1	132.3	106.3	101.9	87.3	150.8
Q3	113.1	120.4	136.1	133.6	102.2	100.2	85.2	154.9
Q4	112.8	120.7	137.0	134.5	105.2	98.9	81.2	157.9
2002 Q1	114.4	121.1	137.4	133.7	105.2	100.8	79.5	161.4
Q2	114.9	123.1	139.4	134.9	105.1	100.4	75.0	162.0

(c) Percentage change, latest quarter on previous quarter

1997 Q1	3.4	..	2.4	2.3	-0.8	-1.7	-1.1	3.9
Q2	0.2	..	1.5	2.0	4.0	-1.2	0.2	0.8
Q3	0.4	..	0.8	0.7	0.0	-2.3	0.3	2.6
Q4	0.0	-0.1	0.5	0.2	0.0	-1.4	-0.2	0.6
1998 Q1	0.6	0.0	1.9	0.7	-1.0	2.7	-1.9	2.2
Q2	0.9	1.0	3.2	1.2	0.5	-0.8	-5.7	3.7
Q3	-0.1	0.5	0.6	0.3	0.0	-0.4	-0.3	0.6
Q4	-0.2	0.4	0.8	0.4	-1.5	0.8	-4.6	0.1
1999 Q1	0.8	0.9	1.1	0.3	-0.3	7.4	-2.6	0.2
Q2	0.8	0.9	1.0	0.5	-1.6	-1.1	-0.7	1.7
Q3	0.4	0.2	0.5	1.2	-0.3	-1.2	-5.1	0.2
Q4	0.6	-0.1	0.3	1.9	-0.1	-1.8	1.1	0.5
2000 Q1	0.2	0.0	5.1	0.3	1.0	2.5	2.1	1.0
Q2	0.3	0.9	3.3	2.7	0.0	-0.6	2.8	2.2
Q3	0.5	0.1	0.8	2.9	0.5	-0.1	1.5	2.6
Q4	1.0	0.1	0.8	2.5	3.1	-1.1	0.9	5.5
2001 Q1	0.6	2.8	0.9	2.1	0.0	3.4	2.4	4.9
Q2	0.6	0.8	0.7	0.8	0.2	-1.7	1.7	0.3
Q3	0.5	-0.1	0.7	1.0	-3.8	-1.7	-2.4	2.7
Q4	-0.3	0.2	0.7	0.6	2.9	-1.3	-4.6	2.0
2002 Q1	1.4	0.3	0.3	-0.6	0.0	1.9	-2.2	2.2
Q2	0.5	1.6	1.4	0.9	-0.1	-0.4	-5.6	0.4

(d) Percentage change, latest quarter on corresponding quarter of previous year

1997 Q1	5.1	..	4.8	5.4	0.1	..	..	11.2
Q2	5.0	..	5.9	7.0	5.7	..	..	11.7
Q3	4.9	..	5.5	7.4	5.6	-7.4	-1.6	14.5
Q4	4.0	..	5.3	5.3	3.3	-6.5	-0.8	8.1
1998 Q1	1.1	..	4.8	3.7	3.0	-2.2	-1.5	6.2
Q2	1.9	..	6.6	2.8	-0.4	-1.8	-7.3	9.3

	Q3	1.4	1.3	6.4	2.4	-0.4	0.1	-7.9	7.1
	Q4	1.3	1.8	6.6	2.5	-1.9	2.3	-12.0	6.7
1999	Q1	1.5	2.8	5.8	2.0	-1.3	7.0	-12.7	4.7
	Q2	1.4	2.7	3.5	1.3	-3.4	6.6	-8.1	2.6
	Q3	1.8	2.4	3.4	2.2	-3.7	5.8	-12.5	2.2
	Q4	2.7	2.0	2.9	3.8	-2.4	3.1	-7.2	2.6
2000	Q1	2.0	1.1	6.9	3.8	-1.1	-1.6	-2.7	3.3
	Q2	1.5	1.0	9.3	6.2	0.5	-1.1	0.8	3.8
	Q3	1.7	1.0	9.8	8.0	1.3	-0.1	7.7	6.4
	Q4	2.1	1.1	10.4	8.8	4.6	0.6	7.4	11.7
2001	Q1	2.5	3.9	6.0	10.7	3.6	1.5	7.8	16.0
	Q2	2.8	3.8	3.3	8.6	3.8	0.4	6.6	13.9
	Q3	2.8	3.6	3.2	6.5	-0.6	-1.2	2.5	14.0
	Q4	1.4	3.8	3.0	4.6	-0.8	-1.3	-3.1	10.2
2002	Q1	2.2	1.3	2.4	1.8	-0.8	-2.8	-7.4	7.4
	Q2	2.1	2.1	3.1	2.0	-1.1	-1.5	-14.1	7.4

Corporate Services Price Indices (EXPERIMENTAL) (1995=100) – continued

SIC(92):	Freight forwarding	National post parcels*	Courier services	Business telecomm-unications*	Property rental payments*	Real estate agency activities	Car contract hire*	Construction plant hire*
	63.40	64.11	64.12	64.20	70.20	70.30	71.10	71.32
1995 net sector weights (%):								
(including property rentals)	5.78	4.28	0.97	7.40	30.84	1.18	1.34	1.99
(excluding property rentals)	8.35	6.19	1.40	10.71	0.00	1.71	1.94	2.88
(a) Percentage change, latest year on previous year								
1996	..	106.8	100.4	..	102.2	..	..	98.4
1997	103.9	112.4	101.4	86.1	105.4	..	96.4	96.5
1998	99.2	119.8	105.6	83.4	110.0	119.5	97.5	99.8
1999	95.5	122.9	107.0	81.7	116.0	125.5	99.2	103.9
2000	96.1	128.6	109.9	77.7	122.6	134.5	102.2	109.3
2001	96.0	132.6	116.0	75.6	130.5	139.0	97.0	113.9
1996	..	..	..	..	2.2	..	..	..
1997	..	5.3	1.0	..	3.1	..	..	-1.9
1998	-4.5	6.6	4.2	-3.2	4.3	..	1.2	3.4
1999	-3.7	2.5	1.3	2.1	5.4	5.0	1.7	4.1
2000	0.6	4.7	2.7	-4.9	5.7	7.2	3.0	5.1
2001	-0.1	3.1	5.6	-2.6	6.5	3.3	-5.1	4.2
(b) Quarterly results (not seasonally adjusted)								
1997 Q1	103.5	108.5	101.2	88.3	104.2	..	96.1	98.2
Q2	103.7	113.8	101.5	86.1	105.1	..	96.7	96.3
Q3	104.0	113.8	101.2	85.6	105.7	..	96.2	94.9
Q4	104.4	113.8	101.7	84.4	106.7	..	96.5	96.6
1998 Q1	102.2	113.8	102.7	83.5	108.4	117.0	97.6	101.3
Q2	99.7	121.9	105.8	83.1	109.3	119.0	98.4	99.8
Q3	98.1	121.9	106.8	83.5	110.5	120.9	96.9	99.1
Q4	96.7	121.9	107.3	83.5	111.7	121.3	97.3	99.1
1999 Q1	97.4	121.9	107.3	83.5	113.4	121.9	97.8	105.3
Q2	94.7	123.2	106.9	83.0	114.9	124.6	98.1	102.6
Q3	94.5	123.2	106.9	81.5	116.9	126.6	99.6	103.0
Q4	95.4	123.2	107.0	78.7	118.7	128.8	101.4	104.9
2000 Q1	95.2	123.2	108.3	79.1	120.1	131.8	102.3	105.6
Q2	95.7	130.4	108.2	78.7	121.7	133.9	102.7	110.1
Q3	96.3	130.4	109.9	77.0	123.3	135.2	102.2	111.1
Q4	97.1	130.4	113.3	75.9	125.2	137.2	101.6	110.2
2001 Q1	98.0	130.4	113.8	75.9	127.6	138.6	99.5	111.3
Q2	97.0	133.3	115.6	75.5	129.6	139.1	96.6	118.0
Q3	94.9	133.3	117.2	75.5	131.4	139.2	96.2	114.8
Q4	94.0	133.3	117.6	75.6	133.3	139.1	95.7	111.4
2002 Q1	94.2	133.3	118.7	75.5	134.4	139.0	96.2	109.7
Q2	92.8	139.4	119.0	76.0	135.8	139.1	96.4	110.8
(c) Percentage change, latest quarter on previous quarter								
1997 Q1	..	..	0.6	..	0.9	..	2.1	1.5
Q2	0.2	4.9	0.3	-2.5	0.8	..	0.6	-1.9
Q3	0.3	0.0	-0.4	-0.6	0.6	..	-0.5	-1.4
Q4	0.4	0.0	0.5	-1.4	0.9	..	0.3	1.8
1998 Q1	-2.1	0.0	1.0	-1.1	1.6	..	1.1	4.8
Q2	-2.5	7.1	3.1	-0.4	0.9	1.7	0.8	-1.4
Q3	-1.6	0.0	0.9	0.4	1.1	1.6	-1.5	-0.7
Q4	-1.4	0.0	0.5	0.0	1.1	0.4	0.4	0.0
1999 Q1	0.7	0.0	0.0	0.0	1.5	0.5	0.5	6.3
Q2	-2.8	1.1	-0.4	-0.5	1.3	2.2	0.3	-2.6
Q3	-0.2	0.0	0.0	-1.8	1.8	1.6	1.6	0.5
Q4	0.9	0.0	0.1	-3.5	1.5	1.7	1.9	1.8
2000 Q1	-0.2	0.0	1.2	0.5	1.2	2.3	0.9	0.7
Q2	0.5	5.9	-0.1	-0.5	1.3	1.6	0.4	4.3
Q3	0.6	0.0	1.5	-2.1	1.3	1.0	-0.5	0.8
Q4	0.8	0.0	3.1	-1.4	1.6	1.4	-0.6	-0.7
2001 Q1	1.0	0.0	0.5	0.0	1.9	1.0	-2.1	1.0
Q2	-1.0	2.2	1.5	-0.6	1.5	0.4	-2.9	6.1
Q3	-2.1	0.0	1.4	0.0	1.4	0.0	-0.4	-2.7
Q4	-1.0	0.0	0.3	0.1	1.5	0.0	-0.5	-3.0
2002 Q1	0.2	0.0	0.9	-0.1	0.8	-0.1	0.5	-1.5
Q2	-1.5	4.5	0.2	0.7	1.0	0.1	0.2	1.0
(d) Percentage change, latest quarter on corresponding quarter of previous year								
1997 Q1	..	..	1.5	..	2.8	..	..	-0.2
Q2	..	4.9	1.2	..	3.2	..	3.5	-3.4
Q3	..	4.9	0.3	..	3.3	..	3.2	-4.1

	Q4	..	4.9	1.1	..	3.3	..	2.5	-0.1
1998	Q1	-1.2	4.9	1.4	-5.5	4.0	..	1.5	3.1
	Q2	-3.8	7.1	4.2	-3.5	4.1	..	1.8	3.6
	Q3	-5.7	7.1	5.5	-2.4	4.5	..	0.8	4.4
	Q4	-7.3	7.1	5.5	-1.1	4.8	..	0.8	2.5
1999	Q1	-4.7	7.1	4.5	0.0	4.7	4.2	0.2	4.0
	Q2	-5.0	1.1	1.0	-0.1	5.1	4.8	-0.3	2.8
	Q3	-3.6	1.1	0.1	-2.4	5.8	4.7	2.7	4.0
	Q4	-1.3	1.1	-0.3	-5.8	6.2	6.1	4.2	5.9
2000	Q1	-2.3	1.1	0.9	-5.3	5.9	8.1	4.7	0.3
	Q2	1.0	5.9	1.3	-5.3	5.9	7.4	4.8	7.4
	Q3	1.8	5.9	2.8	-5.5	5.4	6.8	2.6	7.8
	Q4	1.7	5.9	5.9	-3.5	5.5	6.5	0.2	5.1
2001	Q1	3.0	5.9	5.1	-3.9	6.3	5.2	-2.8	5.4
	Q2	1.4	2.2	6.8	-4.1	6.5	3.9	-6.0	7.2
	Q3	-1.4	2.2	6.8	-2.0	6.6	2.9	-5.9	3.4
	Q4	-3.2	2.2	3.8	-0.4	6.5	1.4	-5.8	1.0
2002	Q1	-3.9	2.2	4.3	-0.6	5.3	0.3	-3.3	-1.4
	Q2	-4.4	4.5	2.9	0.7	4.7	0.0	-0.2	-6.1

Corporate Services Price Indices (EXPERIMENTAL) (1995=100) – continued

SIC(92):	Market research 74.13	Technical testing 74.30	Employment agencies 74.50	Security services 74.60	Industrial cleaning 74.70	Commercial film processing 74.81/9	Contract packaging 74.82
1995 net sector weights (%):							
(including property rentals)	1.28	1.21	6.32	1.15	2.27	0.09	0.49
(excluding property rentals)	1.85	1.75	9.14	1.66	3.29	0.12	0.71
(a) Percentage change, latest year on previous year							
1996	..	..	..	99.4	99.4	101.7	..
1997	..	..	108.9	99.5	98.8	104.7	..
1998	..	106.7	114.9	100.3	101.3	105.5	..
1999	112.2	109.1	120.6	103.0	101.8	105.6	109.4
2000	116.1	109.8	124.1	105.0	102.0	106.3	112.7
2001	120.9	111.0	131.3	108.3	101.8	107.6	112.8
(b) Quarterly results (not seasonally adjusted)							
1997 Q1	..	..	107.0	98.9	98.8	104.4	..
Q2	..	..	108.4	99.2	98.6	104.4	..
Q3	..	..	109.9	99.7	98.9	104.7	..
Q4	..	..	110.4	100.0	99.0	105.3	..
1998 Q1	..	106.1	112.9	100.3	100.8	105.5	..
Q2	..	106.7	114.1	99.8	101.3	105.5	..
Q3	106.8	106.7	115.3	100.4	101.5	105.5	..
Q4	108.6	107.4	117.5	100.8	101.7	105.5	..
1999 Q1	111.7	109.1	119.4	101.4	101.8	105.5	109.2
Q2	112.0	109.1	120.7	102.5	101.9	105.6	109.5
Q3	112.4	109.0	121.0	103.9	101.9	105.6	109.5
Q4	112.8	109.3	121.3	104.3	101.7	105.6	109.5
2000 Q1	115.2	109.5	122.5	104.3	102.0	105.9	112.0
Q2	115.7	109.7	123.9	104.4	102.1	105.9	112.2
Q3	116.5	110.1	124.6	105.6	102.0	106.5	113.5
Q4	117.1	110.1	125.4	105.7	101.7	107.0	113.0
2001 Q1	120.5	109.5	128.0	106.8	101.6	106.8	112.6
Q2	121.0	110.9	131.3	108.0	101.7	107.0	112.8
Q3	120.7	111.5	133.2	108.1	101.4	108.2	112.7
Q4	121.4	111.9	132.8	110.3	102.7	108.5	112.9
2002 Q1	124.3	113.4	131.4	111.0	103.6	108.5	112.9
Q2	124.1	114.0	130.6	112.1	103.5	108.5	113.1
(c) Percentage change, latest quarter on previous quarter							
1997 Q1	..	..	..	0.2	0.0	0.3	..
Q2	..	..	1.2	0.3	-0.2	0.0	..
Q3	..	..	1.4	0.5	0.3	0.3	..
Q4	..	..	0.5	0.3	0.1	0.6	..
1998 Q1	..	..	2.2	0.3	1.8	0.2	..
Q2	..	0.5	1.1	-0.5	0.5	0.0	..
Q3	..	0.0	1.0	0.6	0.2	0.0	..
Q4	1.6	0.7	1.9	0.3	0.1	0.0	..
1999 Q1	2.9	1.6	1.6	0.6	0.1	0.0	..
Q2	0.3	0.0	1.0	1.1	0.1	0.1	0.3
Q3	0.4	-0.2	0.2	1.4	0.0	0.0	0.0
Q4	0.3	0.3	0.3	0.4	-0.2	0.0	0.0
2000 Q1	2.1	0.2	1.0	0.0	0.3	0.3	2.3
Q2	0.5	0.2	1.1	0.1	0.1	0.0	0.1
Q3	0.7	0.3	0.6	1.1	-0.2	0.5	1.2
Q4	0.6	0.0	0.7	0.2	-0.2	0.4	-0.5
2001 Q1	2.9	-0.5	2.1	1.0	-0.1	-0.2	-0.3
Q2	0.4	1.2	2.5	1.1	0.1	0.2	0.1
Q3	-0.2	0.6	1.4	0.1	-0.2	1.2	0.0
Q4	0.6	0.3	-0.3	2.0	1.2	0.3	0.2
2002 Q1	2.4	1.4	-1.0	0.7	0.8	0.0	-0.1
Q2	-0.2	0.5	-0.6	1.0	0.0	0.0	0.2
(d) Percentage change, latest quarter on corresponding quarter of previous year							
1997 Q1	..	..	..	-1.0	-1.3	3.0	..
Q2	..	..	..	-1.1	-1.2	3.3	..
Q3	..	..	..	1.0	0.2	4.5	..
Q4	..	..	..	1.3	0.3	1.1	..

1998 Q1	..	..	5.5	1.4	2.1	1.1	..
Q2	..	..	5.3	0.6	2.8	1.1	..
Q3	..	..	4.9	0.7	2.6	0.8	..
Q4	..	..	6.4	0.8	2.6	0.2	..
1999 Q1	..	2.8	5.8	1.1	0.9	0.0	..
Q2	..	2.3	5.7	2.6	0.6	0.1	..
Q3	5.2	2.1	4.9	3.4	0.4	0.1	..
Q4	3.9	1.7	3.2	3.5	0.1	0.1	..
2000 Q1	3.1	0.3	2.6	2.9	0.2	0.4	2.6
Q2	3.3	0.5	2.6	1.9	0.2	0.3	2.4
Q3	3.6	1.0	3.0	1.6	0.0	0.8	3.7
Q4	3.9	0.7	3.4	1.4	0.0	1.3	3.2
2001 Q1	4.6	0.0	4.5	2.4	-0.4	0.8	0.5
Q2	4.6	1.1	6.0	3.4	-0.5	1.0	0.5
Q3	3.6	1.3	6.9	2.4	-0.5	1.6	-0.7
Q4	3.7	1.6	5.8	4.3	1.0	1.4	0.0
2002 Q1	3.2	3.5	2.6	3.9	1.9	1.7	0.2
Q2	2.6	2.8	-0.5	3.8	1.9	1.5	0.3

Corporate Services Price Indices (EXPERIMENTAL) (1995=100) – continued

SIC(92):	Direct marketing & secretarial services	Translation & interpretation services	Adult education	Sewerage Services	Waste disposal	Commercial washing & dry cleaning	Including property rentals	Excluding property Rentals
	74.83 (part)	74.83 (part)	80.42	90.00/1	90.00/2	93.01		
1995 net sector weights (%):								
(including property rentals)	0.19	0.15	0.58	1.33	2.39	0.58	100.00	..
(excluding property rentals)	0.27	0.21	0.84	1.92	3.46	0.83	..	100.00

1996	..	..	103.4	105.5	111.3	..	101.8	101.7
1997	..	..	108.5	109.9	126.8	..	105.6	105.6
1998	108.0	106.9	111.1	114.1	129.0	108.9	108.5	107.9
1999	109.9	108.5	114.7	118.1	138.1	112.1	111.9	110.0
2000	109.5	108.6	118.8	107.8	145.2	114.8	116.4	113.7
2001	107.3	107.7	123.7	105.6	149.9	116.3	122.1	118.3

(a) Percentage change, latest year on previous year

1996	..	..	3.4	5.5	11.3	..	..	..
1997	..	..	4.9	4.2	13.9	..	3.7	3.9
1998	..	..	2.4	3.8	1.8	..	2.8	2.1
1999	1.8	1.5	3.2	3.4	7.0	2.9	3.1	2.0
2000	-0.3	0.0	3.6	-8.7	5.2	2.4	4.1	3.3
2001	-2.0	-0.8	4.1	-2.0	3.3	1.2	4.9	4.1

(b) Quarterly results (not seasonally adjusted)

1997 Q1	..	..	107.2	106.8	126.4	..	104.5	104.6
Q2	..	..	107.3	111.0	125.9	..	105.4	105.6
Q3	..	106.5	108.8	111.0	126.8	106.5	106.0	106.1
Q4	..	106.6	110.7	111.0	128.0	107.7	106.4	106.3
1998 Q1	106.4	106.9	111.1	111.0	128.5	107.3	107.4	106.9
Q2	108.1	106.7	110.9	115.2	129.2	109.2	108.4	108.0
Q3	109.1	106.9	110.7	115.2	128.9	109.8	108.9	108.1
Q4	108.2	107.1	111.9	115.2	129.3	109.4	109.5	108.4
1999 Q1	109.3	108.5	113.9	115.2	130.9	110.5	110.5	109.3
Q2	110.4	108.6	114.4	119.0	139.6	112.5	111.4	109.8

	Q3	109.7	108.5	115.0	119.0	140.8	112.4	112.3	110.2
	Q4	110.0	108.5	115.4	119.0	140.9	112.9	113.3	110.8
2000	Q1	110.2	109.1	117.6	119.0	141.7	114.6	114.1	111.4
	Q2	109.8	109.1	117.6	104.0	147.3	114.9	115.8	113.2
	Q3	110.2	108.2	119.7	104.0	146.2	115.3	117.2	114.4
	Q4	107.8	107.9	120.4	104.0	145.5	114.4	118.6	115.7
2001	Q1	106.9	107.9	122.1	104.0	145.5	115.6	120.4	117.2
	Q2	106.8	108.0	123.3	106.1	148.7	116.2	121.8	118.3
	Q3	107.6	107.7	124.3	106.1	152.5	116.1	122.7	118.8
	Q4	107.7	107.3	125.3	106.1	152.9	117.1	123.5	119.0
2002	Q1	106.9	107.1	126.9	106.1	152.9	117.4	123.8	119.0
	Q2	106.5	107.3	127.4	106.2	157.1	117.1	124.8	119.8

(c) Percentage change, latest quarter on previous quarter

1997	Q1	..	..	3.0	0.0	2.2	..	1.2	1.3
	Q2	..	..	0.1	3.9	-0.4	..	0.9	1.0
	Q3	..	..	1.4	0.0	0.7	..	0.5	0.5
	Q4	..	0.1	1.7	0.0	0.9	1.1	0.4	0.2
1998	Q1	..	0.2	0.3	0.0	0.4	-0.4	0.9	0.6
	Q2	1.7	-0.1	-0.2	3.8	0.5	1.7	1.0	1.0
	Q3	0.9	0.2	-0.2	0.0	-0.2	0.6	0.4	0.1
	Q4	-0.8	0.2	1.1	0.0	0.3	-0.4	0.5	0.3
1999	Q1	1.0	1.3	1.8	0.0	1.2	1.0	1.0	0.8
	Q2	1.0	0.0	0.4	3.3	6.7	1.8	0.8	0.5
	Q3	-0.6	0.0	0.5	0.0	0.8	-0.1	0.8	0.3
	Q4	0.3	0.0	0.4	0.0	0.1	0.5	0.9	0.6
2000	Q1	0.2	0.5	1.9	0.0	0.6	1.5	0.8	0.6
	Q2	-0.4	0.0	0.0	-12.6	4.0	0.2	1.5	1.6
	Q3	0.4	-0.8	1.8	0.0	-0.8	0.4	1.1	1.1
	Q4	-2.2	-0.2	0.6	0.0	-0.4	-0.7	1.3	1.1
2001	Q1	-0.8	0.0	1.4	0.0	-0.1	1.0	1.5	1.3
	Q2	-0.1	0.0	0.9	2.0	2.2	0.5	1.1	0.9
	Q3	0.8	-0.2	0.9	0.0	2.5	-0.1	0.8	0.5
	Q4	0.1	-0.4	0.7	0.0	0.4	0.8	0.6	0.2
2002	Q1	-0.8	-0.3	1.3	0.0	0.0	0.3	0.2	0.0
	Q2	-0.4	0.2	0.4	0.1	2.8	-0.3	0.8	0.7

(d) Percentage change, latest quarter on corresponding quarter of previous year

1997	Q1	..	..	4.5	5.3	20.0	..	3.8	4.3
	Q2	..	..	3.7	3.9	17.6	..	3.8	4.1
	Q3	..	..	5.1	3.9	16.1	..	4.0	4.3
	Q4	..	..	6.4	3.9	3.4	..	3.0	2.9
1998	Q1	..	..	3.6	3.9	1.6	..	2.8	2.2
	Q2	..	..	3.3	3.8	2.6	..	2.8	2.3
	Q3	..	0.4	1.7	3.8	1.7	3.1	2.7	1.9
	Q4	..	0.4	1.1	3.8	1.1	1.5	2.9	2.0
1999	Q1	2.8	1.6	2.5	3.8	1.9	3.0	3.0	2.2
	Q2	2.1	1.7	3.2	3.3	8.1	3.0	2.7	1.7
	Q3	0.6	1.5	3.8	3.3	9.2	2.3	3.1	1.9
	Q4	1.7	1.4	3.1	3.3	8.9	3.2	3.5	2.2
2000	Q1	0.8	0.5	3.2	3.3	8.2	3.7	3.2	2.0
	Q2	-0.6	0.5	2.8	-12.6	5.5	2.1	4.0	3.1
	Q3	0.5	-0.3	4.1	-12.6	3.8	2.6	4.3	3.8
	Q4	-2.0	-0.6	4.4	-12.6	3.3	1.3	4.7	4.4
2001	Q1	-3.0	-1.0	3.8	-12.6	2.7	0.9	5.5	5.1
	Q2	-2.7	-1.0	4.8	2.0	0.9	1.2	5.1	4.5
	Q3	-2.4	-0.4	3.9	2.0	4.3	0.7	4.7	3.9
	Q4	-0.1	-0.6	4.0	2.0	5.1	2.3	4.1	2.9
2002	Q1	0.0	-0.8	4.0	2.0	5.1	1.5	2.8	1.6
	Q2	-0.3	-0.6	3.4	0.1	5.7	0.8	2.5	1.3

**CORPORATE SERVICES PRICES:
PUBLICATION OF PROTOTYPE INDEX**

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Introduction

This article summarise the progress made by the Office for National Statistics (ONS) since the last time the Corporate Services Price Index (CSPI) was featured in Economic Trends (Hugh Skipper's article of September 1998). It is accompanied by the results for the first quarter of 2000: these tables, which include a wider range of product indices and a prototype total index, will be published quarterly in this publication from now on.

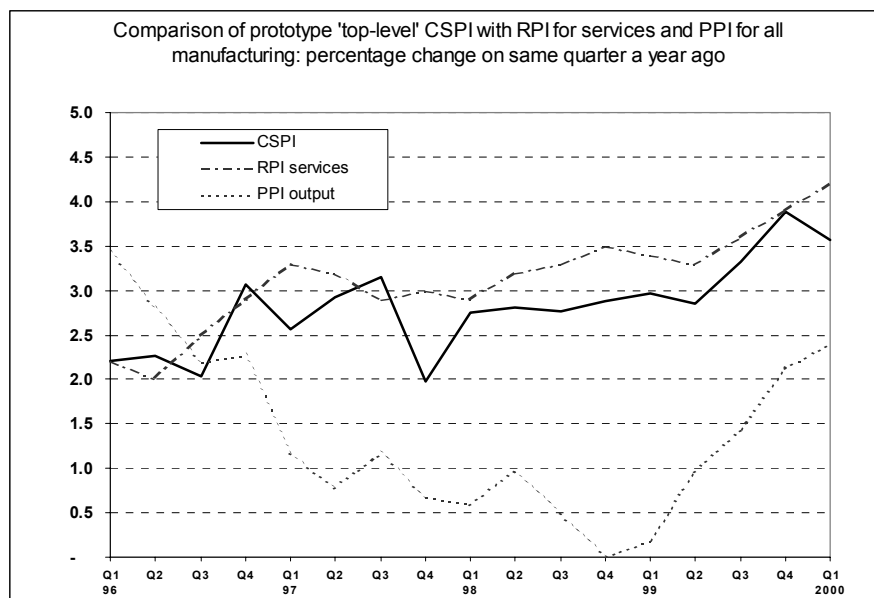
Rationale for the CSPI

The CSPI is being developed to fill a gap in the UK inflation picture. We already have:

- retail (or consumer) price indices measuring the prices of *goods and services* purchased by *final consumers*;
 - producer price indices measuring the output prices of *manufactured products*;
- and now we are developing:
- corporate services price indices to measure the prices of *services* purchased by *businesses (including government)* from other *businesses*.

Figure 1 below shows the annual increases at each quarter of the prototype top-level CSPI in comparison with the other inflation measures. Note that it is not possible to make direct comparisons between them due to some differences in things they cover and the way they are compiled, e.g. the weightings of the RPI's components are adjusted every year whereas those of the CSPI and PPI are fixed and relate to those of the base year (1995). Nevertheless they can all make a valid contribution to our understanding of inflation in the UK economy and, in each case, can be broken down to provide analyses for a range of product or service categories.

Figure 1:



Note to figure 1: The top-level CSPI currently covers around 45 per cent of business-to-business services.

Demand for the CSPI

Demand for an indicator of corporate service prices has been steadily growing since the early 1990s. Key customers such as the Bank of England and HM Treasury intend to make specific use of the CSPI in their economic appraisal work and, indeed, have been closely consulted in the development process. Demand is strong also from within the ONS itself due to the need to develop robust deflators in the calculation of GDP and other developmental areas such as the Index of Services. Industry itself has expressed a need for some specific prices measures for services in the corporate sector and several trade associations and professional bodies are participating in the CSPI development process to assist the ONS in meeting those needs.

In addition, there are worldwide demands for the development of suitable and robust methodologies for measuring service prices and the CSPI development team are in regular contact with their international counterparts, in particular the USA, Australia, Canada and New Zealand, who are all at similar stages of development in this area of statistics.

Background

The full background to the CSPI was described in detail in Hugh Skipper's article and also in an introductory one in July 1996 written by Jonathan Price. As a reminder, the key points are:

- the CSPI measures the quarterly movement in the prices of services provided from businesses to other business or government customers – activity representing about 23 per cent of GDP;
- it relates to services provided between UK companies, i.e. it excludes exports and imports;
- measurement of service sector prices is inherently difficult and challenging and a number of pricing methods are being researched and tried in the UK, as in many other countries;
- data are currently collected from 1,000 contributors who provide around 6,000 price quotations for over 140 separate service activities or products;
- main uses are as:

- * a key indicator of inflation in the services sector;
- * a deflator of service sector output for use in calculating quarterly GDP (8 indices are currently used for this purpose) and, in the future, a deflator in the compilation of the Index of Services;
- * an information tool for business itself;
- experimental quarterly results covering 20 industries and a combined index have been circulated internally within ONS and to key customers including HM Treasury and the Bank of England. A subset of 12 industries for which prices are considered more established have been published in ONS Business Monitor *MM22*, although this has now ceased in favour of using *Economic Trends*;
- from late 2001 onwards, the aim is to issue a quarterly ONS First Release which will cover at least 85 per cent of the corporate services sector in the top-level index.

Summary of progress since 1998

Work has concentrated on (i) developing new indices and (ii) on maintaining and improving the quality and integrity of the data for the industries currently covered by the CSPI as part of a rigorous quality assurance programme. In effect, the speed of expansion has been tempered by a greater emphasis on achieving a higher level of data quality and reliability founded on a sound theoretical and statistical basis.

Development of new indices

A pool of expertise within the CSPI branch of ONS has been developing in relation to prices of services in the corporate sector. This includes a broad understanding of the kinds of price collection methods that may be suitable, the relevant industry structures and combinations of service activities and delivery. The experience gained from developing the existing set of published indices is being applied in the development of the remaining industries and has contributed to an enhanced development programme. The expertise gained is enhanced by productive relationships with trade associations and other professional bodies such as the Royal Institute of British Architects (RIBA). Many of these organisations have played a significant role in the development of an index for their particular industry and are continuing to be involved in a consultative capacity.

This article provides results for some 20 industries. In addition there are several that are nearing completion of their development stage. It is intended to incorporate these industries into the main CSPI at specific points over the next 2 years, as shown in the Table 1 below:

Table 1: Timetable for the development of additional industries

Industry	Target		Industry	Target	
	SIC(92)	availability (1)		SIC(92)	availability (1)
Taxi operations	60.22	2000	Private healthcare	85.11	2000
Real estate	70.31	2000	Legal services	74.11	2001
Renting agricultural machinery	71.31	2000	Long-term healthcare	85.11	2001
Renting office machinery	71.33	2000	Accountancy (2)	74.12	2001
Market research	74.13	2000	Advertising	74.40	2001
Canteens & catering	55.51	2000	Consulting engineering (2)	74.20	2001
Hotels	55.11	2000	Architectural activities	74.20	2001
Inter-City services	60.10/1	2000	Quantity surveying	74.20	2001
Rail freight	60.10/9	2000	Computer services (2)	72.20	2002
Technical testing	74.30	2000	Banking & financial services	65.12	2002
Contract packaging	74.82	2000	Insurance & pension funds	66.00	2002
Direct marketing/secretarial services	74.83 (part)	2000			

Notes:

(1) Precise quarterly starting dates cannot be given, so e.g. "2001" denotes "will commence in a quarter in 2001".

(2) Previously part of published quarterly figures but now undergoing redevelopment as a result of quality assurance.

Additional newly developed industries will be incorporated into the top-level CSPI several at a time and no more than once a year. This is partly because every time an additional industry is included the whole top-level series has to be recast to 1995 to reflect the new set of industries. This is done by estimating a historical series for each new industry to bridge the period between the base year (1995) and the time at which data collection for that industry began. This series is estimated using whatever relevant information may be available, e.g. price change analyses carried out by a trade association or other CSPI elements (often the top-level CSPI at the time). Whenever any data revisions to existing industries may be required in future it is intended that such changes will coincide with the introduction of a group of newly developed industries.

Development of the remaining industries is tending to take longer than it did for the already established industries. To a certain extent this is due to those earlier developed industries being simpler to measure. In the set of industries currently undergoing development there are some inherent difficulties that are not present in other industries, e.g. the development of a suitable model prices approach for professional services such as accountancy services. Also, the lessons learned from previous developmental work are being applied such as being aware of the influence of very large organisations in certain service areas and how to handle them in the inquiry.

More resources are being applied to developing the CSPI with the aim of achieving an even more comprehensive approach to the development of new indices and with a higher level of data quality.

Quality assurance of existing indices

Following the development stage there is a need to take stock after time collecting quarterly prices and so all developed industries go through a quality assurance process. In some cases, e.g. for computer services (a generic name for activities covering the whole spectrum of services in the IT industry), the industry is changing very quickly and the quality assurance process can lead to a significant amount of redevelopment. Quality assurance is carried out on a consistent basis for *all* industries and adheres to the following basic procedure:

- examine existing data and sampling errors, etc. (including a review of the response history);
 - undertake fresh consultation with contributors, trade associations and users, with emphasis on the quality and usefulness of the figures produced so far;
 - re-examine the industrial structure or “family tree” in the light of the latest available information ;
 - re-examine the sample and questionnaire design, including taking into account the views of contributors of the forms currently used; and
 - produce an interim report on the findings of the quality assurance process so far;
- If significant change *is not* required then:
 - monitor the effects of any minor changes for a specified number of quarters (usually at least 5), and
 - produce the final quality assurance report (made available to all interested parties).
 - If significant change *is* needed then:
 - design and test the new sample and/or questionnaire;
 - continue interim collection of the "new" data while continuing the collection of the "old" data;
 - analyse and explain fully the differences between the old and new data;
 - produce the final quality assurance report (made available to all interested parties); and
 - establish regular collection of the new data and stop collection of the old data.
- (a) **A full quality assurance programme has been set up for the CSPI and includes all industries on a rolling basis, as indicated in Table 2 below:**

(b) Table 2: Planned completion of quality assurance programmes for CSPI industries:

1. Industry	Planned completion		Industry	Planned completion	
	SIC(92)	(quarter)		SIC(92)	(quarter)
Maintenance and repair of motor vehicles	50.21	Q3 2000	Freight forwarding	63.40	Q3 2001
Car contract hire	71.10	Q4 2000	Industrial cleaning	74.70	Q3 2001
Bus and coach	60.23	Q1 2001	Security	74.60	Q3 2001
Adult education	80.42	Q2 2001	Business telecommunications	64.20	Q4 2001
Commercial film	74.81	Q2 2001	National post parcels (2)	64.11	Q4 2001
Courier services	64.12	Q2 2001	Property rental payments	70.21	Q4 2001
Road freight (1)	60.24	Q2 2001	Sewerage	90.10	Q4 2001
Sea and coastal freight	61.10/2	Q2 2001	Waste disposal	90.20	Q4 2001
Business air fares (2)	62.10/1	Q3 2001	Recruitment agencies	74.50	Q1 2002
Commercial vehicle ferries	61.10/1	Q3 2001	Translation & interpretation services	74.83	Q1 2002
Construction plant hire	71.32	Q3 2001	Washing & dry cleaning	93.01	Q2 2002

Notes:

(1) Published tables also show the international component of this industry as a separate series.

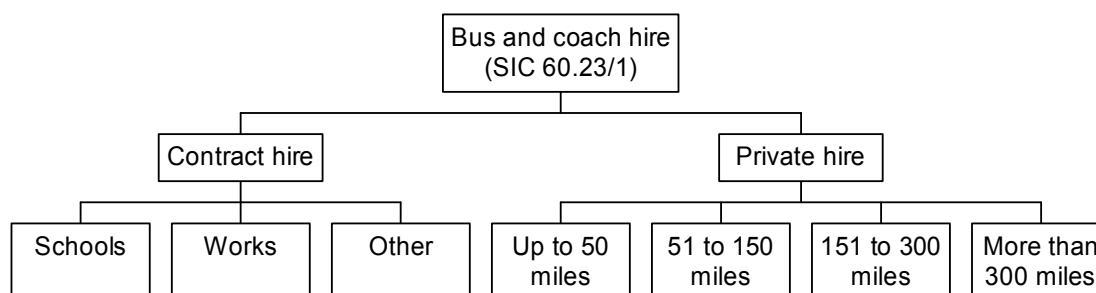
(2) Calculated and incorporated into the prototype top-level CSPI but not published separately due to the disclosive nature of the information.

Outline of methodology

A brief outline of the development and calculation process follows, (described in more detail in the previous articles in Economic Trends).

The corporate services element of a service industry (i.e. business to business or business to government transactions) is identified in the first instance by reference to the Standard Industrial Classification SIC(92) and information obtained from the relevant trade associations (their list of members including whatever additional information the association collects). The structure is then examined in terms of the priced service activities that should be covered taking into account the information that contributors should be expected to be able to provide. Sometimes the “family tree” that is developed to represent the industrial structure reflects the breakdown of the SIC or the Central Product Classification (CPC) – the international equivalent of the SIC. In many cases though the standard classifications are not detailed or appropriate enough to form the basis of the family tree. For those, a structure is adopted that relates to how the industry regards itself – gleaned from consultations with the relevant businesses and organisations. An example of this is bus and coach hire which is separated into two branches, contract hire and private hire, and then various sub-categories under each branch as shown below:

FAMILY TREE: BUS AND COACH HIRE



The sub-categories relate to separate identifiable services for which different pricing regimes may apply. The SIC shows little further breakdown other than the renting of buses and coaches and other passenger land transport. In effect, the work on the CSPI has led to a separate classification being developed to suit its own purposes.

After the identification of the data collection framework, contributors are recruited either by using Inter Departmental Business Register (IDBR) information exclusively or in conjunction with industry specific lists provided by a relevant trade association. During recruitment, turnover information is collected relating to the base year (1995) or a year as close to it as possible (which can then be scaled to 1995). This turnover information is used to weight together the service activities within each industry. This “lower level” weighting is entirely dependent on the data obtained by the contributors at recruitment. This is because there is no service sector equivalent of Prodcom (the ONS inquiry which collects manufacturers’ sales by product). The turnover data are scrutinised very carefully and are compared with other, relevant sources where available e.g. the IDBR. Survey samples for each service activity within an industry are normally stratified by turnover where enough information is available. In some cases, e.g. hotels, just the largest businesses are sampled - for the time being at least.

The higher level (industry) weights are based on information obtained from input-output tables for the base year. Using this information, estimates of turnover relating to intermediate use (as opposed to services to the final consumer) are estimated after using input-output domestic use data to give estimates of turnover for services sold outside the corporate services sector.

For the various service activities covered by the CSPI, a range of approaches to price collection are currently employed. These are needed to reflect the diversity of the industries covered and the choices of price collection mechanism are crucial to the success of the CSPI. They range from prices of straightforward, well-defined and repeatable activities (such as the cost of translation of a 2,000 word technical document from English to French), to complex and one-off activities such as the design of a concrete dam by an engineering consultancy. The main approaches used so far in the CSPI are:

- actual transactions – monitoring the price for particular transactions;
- contract prices – monitoring the periodic payments under a continuing contract;
- list prices - monitoring the list price for typical services from the price list;
- model prices – monitoring the price for a fictional service or contract;
- fee-based methods:
 - model fees - price or re-price on basis of time for a given mix of staff;
 - fees per period – monitoring total fees/total hours by activity;
 - percentage-based fees – computing the price on the basis of a fee percentage combined with other information.
 - price data purchased from commercial suppliers.

Annex 1 gives details of each of the industries currently being covered by the CSPI (including those under development) and this includes the price mechanism that is being used or developed.

Choice and success of the various price mechanisms is often down to the individual nature of the service activity in question and depends also on businesses’ attitudes to charging and/or how the service is delivered. For example, an index for accountancy services has been under development since 1996 but has yet to achieve a reasonable, quarterly data set due to a range of problems, particularly in relation to the larger accountancy firms. Fee incomes was the first

approach tried, i.e. average hourly rates collected for a range of accountancy and accountancy-related services. However, results were highly volatile – mainly due to the diversity of the projects that companies were involved with, the various different circumstances under which they were carried out and the timing of payments. A switch to the model prices approach has been no more successful with several companies finding the approach extremely difficult. For example, the following constraints on form-completion were identified by one firm:

- no contracts were considered “typical” and they would find it impossible to give a genuine “typical” price for any service;
- prices charged depended on several factors such as location, size of company, or the amount of future business potentially available;
- certain prices quoted were for jobs considered to be a “loss leader”;
- projects could be far more broadly based than just being related to accountancy.

The above difficulties also apply to some extent to other professional services such as legal, architectural, consultancy and surveying services. Dialogue with contributors and trade associations is continuing and awareness of the factors affecting the pricing of services is growing steadily. More work is under way on developing the model prices approach, particularly in conjunction with other countries who, as one might expect, are also experiencing similar difficulties.

Plans for the CSPI's future

2.

The existing activities relating to the development of the CSPI will continue, i.e.:

- continued development of new industries for incorporating into the main quarterly calculations (see Table 1);
- continued quality assurance of existing industries according to an agreed programme; and
- regular liaison with international counterparts on development issues.

In addition, work on the CSPI is expanding and the following new areas of work will be covered over the next 18 months:

- a full review of the sample designs currently employed;
- widening the contributor base through an overall doubling of the sample size;
- preparations for rebasing the CSPI to year 2000=100, including the design and pilot of an appropriate turnover inquiry;
- the construction of more reliable index-to-index weighting patterns;
- further development of a more robust and efficient CSPI-specific computer system; and
- ensuring the CSPI covers as much as possible of the whole corporate service sector.

Results (Quarter 1, 2000)

When viewing the results presented in the following tables *it should be borne in mind that many of the indices shown are regarded as experimental*, particularly those that have been added to the series more recently. This means that many of the results will be subject to revisions before the completion of the whole CSPI development project. The top-level index should therefore be viewed very much as a *prototype*.

The prototype top-level index

The prototype top-level CSPI is constructed by weighting together the currently available industry level indices, which cover around 45% of all business to business services. The top-level results are shown in Table 3.

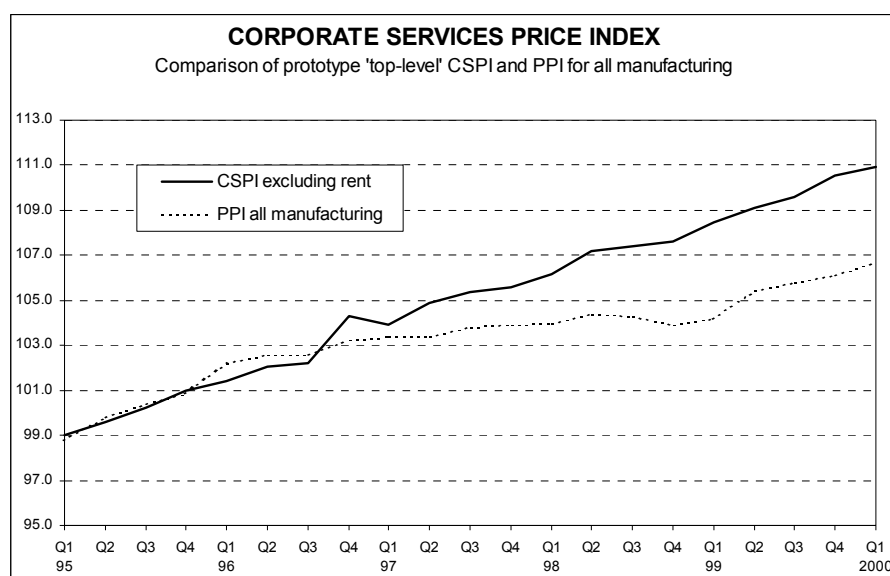
Results are also shown with *property rental payments* excluded from the top-level index – a service category which has a significant effect on the overall index due to its relatively high weighting (just under a third). As more industries are included then its impact will be reduced, (in an index covering all the targeted industries, property rental payments will have a weighting of less than 10 per cent).

Table 3: Prototype corporate services price index (CSPI), quarterly index values and percentage changes 1995 to 2000:

		Quarterly CSPI index values (1995 =100)		Percentage change on same quarter in previous year (%)	
		Including rent	Excluding rent	Including rent	Excluding rent
1995	Q1	99.2	99.0	.	.
	Q2	99.7	99.6	.	.
	Q3	100.2	100.2	.	.
	Q4	100.8	101.0	.	.
1996	Q1	101.4	101.4	2.2	2.4
	Q2	102.0	102.1	2.3	2.5
	Q3	102.3	102.2	2.0	1.9
	Q4	103.9	104.3	3.1	3.3
1997	Q1	104.0	103.9	2.6	2.5
	Q2	104.9	104.9	2.9	2.8
	Q3	105.5	105.4	3.2	3.1
	Q4	105.9	105.6	2.0	1.2
1998	Q1	106.9	106.2	2.8	2.2
	Q2	107.9	107.2	2.8	2.2
	Q3	108.4	107.4	2.8	1.9
	Q4	109.0	107.6	2.9	2.0
1999	Q1	110.1	108.5	3.0	2.1
	Q2	111.0	109.1	2.9	1.8
	Q3	112.0	109.6	3.3	2.1
	Q4	113.2	110.6	3.9	2.7
2000	Q1	114.0	110.9	3.6	2.3

The CSPI (excluding rental payments) is conceptually similar to the net sector output (PPI) for all manufacturing and, as Figure 2 indicates, increases in the prices of corporate services covered by this inquiry have shown a relatively smooth upward transition since 1997 but have been at a greater rate over this period than that of the PPI.

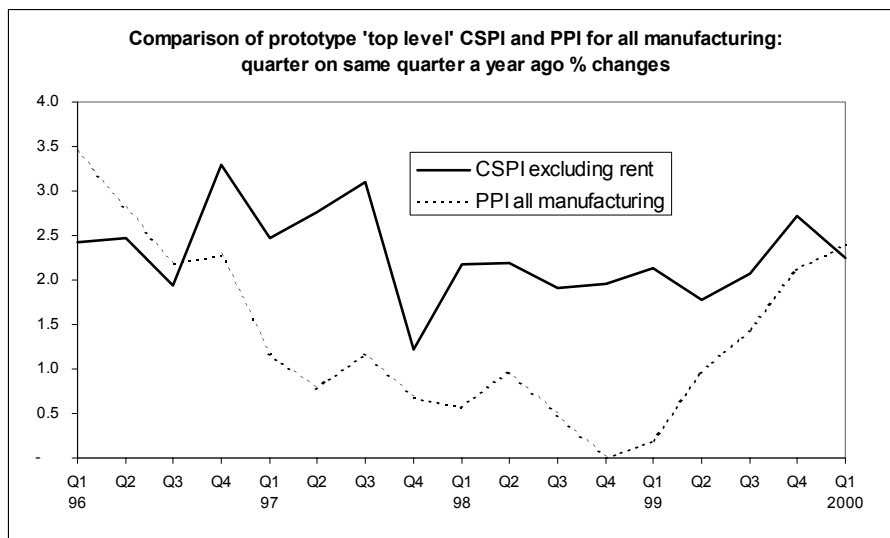
Figure 2:



When looking at the annual changes, i.e. the percentage change over the same quarter in the previous year (Figure 3), increases in the CSPI since mid-1996 have always been higher than

those for the PPI. During 1999 though the differences have been narrowing and the change for the latest quarter is almost the same for both.

Figure 3:

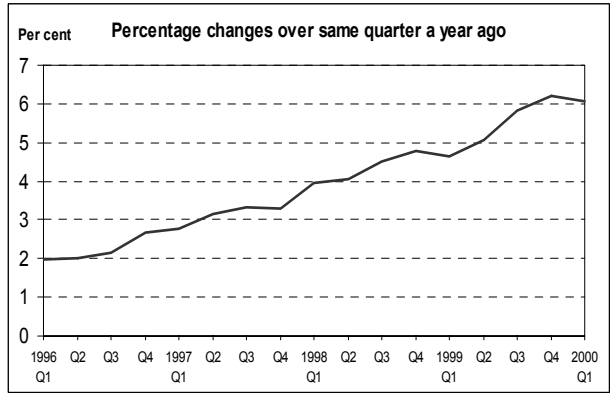
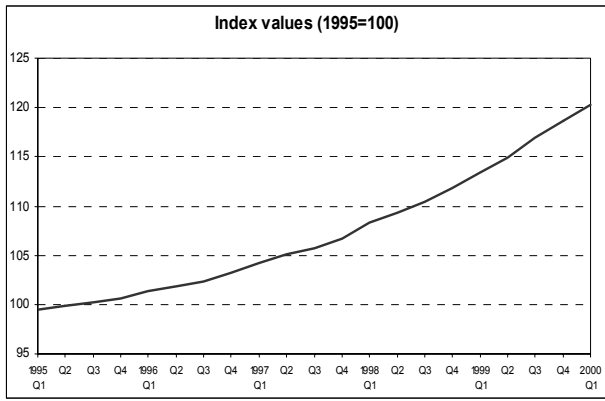


Industry-specific indices

Table 4 contains the series for the 20 industries for which indices of corporate services prices are currently available. The weighting for each index is shown separately for when property rentals are included and excluded. Some key points to note are:

- *bus and coach hire* prices are up 4 per cent on the previous quarter (6 per cent over the year) due to increases in fuel bills, insurance costs and purchases of new vehicles;
- the costs of *road freight* (the 2nd most influential industry on the top-level CSPI) have continued to rise and the impact of increased fuel costs and drivers' wages in quarter 4 1999 has remained;
- the steady decline since 1996 in the prices for *sea and coastal water freight* appears to have halted and they are now showing a slight recovery – a similar pattern is evident for *freight forwarding*;
- the intense competition in the *business telecommunications* industry seems to be reflected by the prices remaining about 17 per cent lower than they were in 1995;
- *property rental payments* (the category with the highest weight within the CSPI) prices have been gradually accelerating since 1995 (see Figure 4 below);
- the 7 per cent increase in charges for *waste disposal* in quarter 2 1999 partly relates to the increased rate of Land Fill Tax (£10 per tonne from £7 per tonne) and higher fuel costs. The effect of the introduction of Land Fill Tax is evident in quarter 4 1996. Waste disposal costs to businesses are now over 40 per cent higher than they were in 1995;
- indices for *business air fares* and *national post parcels* are produced and incorporated into the calculation of the prototype top-level CSPI but are not shown separately due to their disclosive nature;

Figure 4: Corporate services price indices: property rental payments



Annex 1

(a) Corporate Services Price Indices

(i)			Services/ products for which prices are measured	Separate price quotes collected per quarter	Price mechanism	
(ii)	SIC(92)	Number of data contributors				
(iii)						
(iv)	<u>Index description</u>					
Developed indices:						
	Maintenance and repair of motor vehicles	50.21	External supplier	1	n/a	H
	Bus and coach hire	60.23	55	7	244	A,B,D
	Road freight	60.24	94	8	233	A,B,D
	Commercial vehicle ferries	61.10/1	16	10	30	A,B,C
	Sea and coastal freight	61.10/2	12	3	60	A,B,C
	Business airfares	62.10/1	5	3	25	C
	Freight forwarding	63.40	46	11	124	A,B
	National post parcels	64.11	External supplier	1	n/a	H
	Courier services	64.12	75	11	163	A,B,C
	Business telecommunications	64.20	External supplier	7	n/a	H
	Property rental payments	70.21	External supplier	1	n/a	H
	Car contract hire	71.10	External supplier	1	n/a	H
	Construction plant hire	71.32	External supplier	1	n/a	H
	Recruitment agencies	74.50	67	9	317	B,G,H
	Security services	74.60	38	9	116	A,B,C
	Industrial cleaning	74.70	52	7	169	B
	Commercial film processing	74.81	10	4	45	A,C
	Translation and interpretation services	74.83	18	12	321	A,C
	Adult education	80.42	65	10	223	A,C
	Sewerage services	90.10	External supplier	2	n/a	H
	Waste disposal	90.20	39	14	158	B,D
	Commercial washing/dry cleaning	93.01	32	6	112	B,D
Indices undergoing development:						
	Hotels	55.11	19	4	97	A,B,C
	Canteens and catering	55.51	18	3	41	B,E
	Rail freight	60.10	No collection yet	21	n/a	A,B
	Inter-city services	60.10/1	No collection yet	To be decided	n/a	To be decided
	Taxi operations	60.22	External supplier	1	n/a	H
	Banking	65.12	No collection yet	To be decided	n/a	To be decided
	Financial services	65.12	No collection yet	To be decided	n/a	To be decided
	Insurance	66.00	No collection yet	7	n/a	To be decided
	Real estate	70.31	26	12	154	B,G,H
	Renting of agricultural machinery	71.31	External supplier	1	n/a	H
	Renting office machinery	71.33	9	7	20	A,B,C
	Computer services	72.20	18	8	152	A,C
	Legal services	74.11	No collection yet	6	n/a	F
	Accountants	74.12	60	7	235	E,F
	Market research	74.13	35	6	140	A,C
	Consulting engineering	74.20	60	7	103	E,F
	Architectural activities	74.20	No collection yet	8	n/a	To be decided
	Quantity surveyors	74.20	No collection yet	10	n/a	To be decided
	Technical testing	74.30	38	6	120	A
	Advertising	74.40	No collection yet	9	n/a	To be decided
	Contract packaging	74.82	No collection yet	To be decided	n/a	B
	Direct marketing/secretarial services	74.83	29	8	155	A,C
	Private healthcare	85.11	19	5	162	B,C
	Long-term health	85.11	No collection yet	15	n/a	A

Key to price mechanisms:

- A = Actual transactions: monitor price for transactions of a particular kind.
- B = Contract prices: monitor the periodic payments under a continuing contract.
- C = List prices: monitor the list price for typical services from the price list.
- D = Model prices: monitor price for a fictional service or contract.
- E = Fee-based method, model fees: price or re-price on basis of time for a given mix of staff.
- F = Fee-based method, fees per period: monitor total fees/total hours by activity/market.

G = Fee-based method, percentage-based fees: compute price on basis of fee percentage combined with other information.
H = Price data acquired from external suppliers.

Table 4: Corporate Services Price Indices (PROTOTYPE) (1995=100)

SIC(92):	Maintenance and repair of motor vehicles* 50.20	Bus and coach hire 60.23/1	Freight transport by road		Commercial vehicle ferries 61.10/1	Sea and coastal water freight 61.10/2	Freight forwarding 63.40	Courier services 64.12
			Total 60.24	International component 60.24/3				
1995 weights (%):								
(including property rentals)	4.16	0.62	20.87		0.54	0.62	6.09	1.02
(excluding property rentals)	6.17	0.92	30.92		0.80	0.92	9.02	1.51
Annual								
1995	100.0	100.0	100.0	100.0	..	..	..	..
1996	99.8	103.0	103.8	101.1	..	..	..	100.4
1997	104.5	108.5	110.4	105.2	96.9	95.4	103.9	101.4
1998	106.0	115.2	113.4	105.4	96.4	88.6	99.2	105.6
1999	108.0	119.7	116.5	101.4	101.9	79.6	95.5	107.0
Percentage change, latest year on previous year								
1996	-0.2	3.0	3.8	1.1	..	..	..	..
1997	4.7	5.4	6.3	4.0	..	..	..	1.0
1998	1.4	6.1	2.7	0.2	-0.4	-7.2	-4.5	4.2
1999	1.9	3.9	2.7	-3.8	5.6	-10.2	-3.7	1.3
Quarterly results (not seasonally adjusted)								
1995 Q1	102.0	97.4	99.0	99.0	..	..	..	..
Q2	100.1	100.2	99.4	99.4	..	..	..	..
Q3	99.2	101.2	100.2	100.2	..	..	..	99.9
Q4	98.6	101.2	101.2	101.4	..	..	..	100.3
1996 Q1	99.1	101.9	102.3	101.6	..	..	..	99.7
Q2	99.5	102.4	103.4	100.0	..	..	..	100.3
Q3	99.9	103.5	103.6	100.2	103.4	97.2	..	100.8
Q4	100.8	104.2	105.9	102.5	100.9	96.3	..	100.6
1997 Q1	104.2	106.8	108.3	101.7	99.2	95.2	103.5	101.2
Q2	104.4	108.4	110.5	106.3	98.0	95.4	103.7	101.5
Q3	104.8	109.2	111.3	106.3	95.8	95.7	104.0	101.2
Q4	104.8	109.8	111.4	106.3	94.4	95.5	104.4	101.7
1998 Q1	105.4	111.9	112.2	105.2	97.0	93.7	102.2	102.7
Q2	106.4	115.5	113.3	105.8	96.3	88.4	99.7	105.8
Q3	106.3	116.2	113.9	106.0	95.9	88.1	98.1	106.8
Q4	106.1	117.1	114.3	104.6	96.6	84.0	96.7	107.3
1999 Q1	107.0	118.4	114.8	104.3	103.8	81.8	97.4	107.3
Q2	107.9	119.6	115.5	100.6	102.7	81.2	94.7	106.9
Q3	108.2	120.1	116.8	100.5	101.5	77.1	94.5	106.9
Q4	108.9	120.5	119.0	100.4	99.6	78.0	95.4	107.0
2000 Q1	109.2	125.8	119.1	102.2	102.6	79.3	95.5	108.4
Percentage change, latest quarter on previous quarter								
1996 Q1	0.5	0.6	1.1	0.2	..	..	..	-0.6
Q2	0.4	0.5	1.0	-1.6	..	..	..	0.5
Q3	0.5	1.1	0.3	0.1	..	..	..	0.5
Q4	0.8	0.7	2.2	2.3	-2.4	-1.0	..	-0.3
1997 Q1	3.4	2.4	2.3	-0.8	-1.7	-1.1	..	0.6
Q2	0.2	1.5	2.0	4.6	-1.2	0.2	0.2	0.3
Q3	0.4	0.8	0.6	0.0	-2.3	0.3	0.3	-0.4
Q4	0.0	0.5	0.1	0.0	-1.4	-0.2	0.4	0.5
1998 Q1	0.6	1.9	0.8	-1.1	2.7	-1.9	-2.1	1.0
Q2	0.9	3.2	0.9	0.6	-0.8	-5.7	-2.5	3.1
Q3	-0.1	0.6	0.5	0.2	-0.4	-0.3	-1.6	0.9
Q4	-0.2	0.8	0.3	-1.3	0.8	-4.6	-1.4	0.5
1999 Q1	0.8	1.1	0.5	-0.3	7.4	-2.6	0.7	0.0
Q2	0.8	1.0	0.6	-3.6	-1.1	-0.7	-2.8	-0.4
Q3	0.4	0.5	1.2	-0.1	-1.2	-5.1	-0.2	0.0
Q4	0.6	0.3	1.9	-0.1	-1.8	1.1	0.9	0.1
2000 Q1	0.2	4.4	0.1	1.8	3.0	1.6	0.1	1.3
Percentage change, latest quarter on corresponding quarter of previous year								
1996 Q1	-2.8	4.5	3.3	2.7	..	..	..	..
Q2	-0.6	2.2	4.0	0.6	..	..	..	..
Q3	0.8	2.3	3.4	0.0	..	..	..	1.0
Q4	2.2	3.0	4.6	1.1	..	..	..	0.2
1997 Q1	5.1	4.8	5.9	0.1	..	..	..	1.5
Q2	5.0	5.9	7.0	6.3	..	..	..	1.2
Q3	4.9	5.5	7.4	6.1	-7.4	-1.6	..	0.3
Q4	4.0	5.3	5.1	3.8	-6.5	-0.8	..	1.1
1998 Q1	1.1	4.8	3.6	3.4	-2.2	-1.5	-1.2	1.4
Q2	1.9	6.6	2.5	-0.5	-1.8	-7.3	-3.8	4.2
Q3	1.4	6.4	2.4	-0.3	0.1	-7.9	-5.7	5.5
Q4	1.3	6.6	2.6	-1.6	2.3	-12.0	-7.3	5.5
1999 Q1	1.5	5.8	2.3	-0.9	7.0	-12.7	-4.7	4.5
Q2	1.4	3.5	1.9	-4.9	6.6	-8.1	-5.0	1.0
Q3	1.8	3.4	2.6	-5.2	5.8	-12.5	-3.6	0.1
Q4	2.7	2.9	4.1	-4.1	3.1	-7.2	-1.3	-0.3
2000 Q1	2.0	6.2	3.8	-2.0	-1.1	-3.1	-2.0	1.1

Table 4: Corporate Services Price Indices (PROTOTYPE) (1995=100) (continued)

	Business telecoms. services*	Property rental payments*	Car contract hire*	Construction plant hire*	Employment agencies	Security services	Industrial cleaning	Commercial film processing
SIC(92):	64.20	70.20	71.10	71.32	74.50	74.60	74.70	74.81
1995 weights (%):								
(including property rentals)	7.80	32.51	1.41	2.10	6.66	1.21	2.40	0.09
(excluding property rentals)	11.56	0.00	2.09	3.11	9.87	1.79	3.55	0.13
Annual								
1995	..	100.0	..	..	..	..	100.0	100.0
1996	..	102.2	..	98.4	..	99.4	99.4	101.7
1997	85.8	105.4	96.4	96.5	108.9	99.5	98.8	104.7
1998	83.4	110.0	97.5	99.8	114.9	100.3	101.3	105.5
1999	83.4	116.0	99.2	103.9	120.6	103.0	101.8	105.6
Percentage change, latest year on previous year								
1996	.	2.2	.	.	.	.	-0.6	1.7
1997	.	3.1	.	-1.9	.	0.1	-0.5	2.9
1998	-2.7	4.3	1.2	3.4	5.5	0.9	2.5	0.8
1999	-0.1	5.4	1.7	4.1	4.9	2.7	0.5	0.1
Quarterly results (not seasonally adjusted)								
1995 Q1	..	99.4	..	..	..	..	100.0	98.7
Q2	..	99.8	..	..	..	..	100.0	99.9
Q3	..	100.2	..	..	..	100.0	100.1	100.4
Q4	..	100.6	..	..	..	100.0	100.0	99.9
1996 Q1	..	101.4	..	98.4	..	99.9	100.1	101.3
Q2	..	101.8	93.4	99.7	..	100.3	99.8	101.1
Q3	..	102.3	93.2	99.0	..	98.8	98.7	100.2
Q4	..	103.2	94.1	96.7	..	98.7	98.8	104.1
1997 Q1	88.0	104.2	96.1	98.2	107.0	98.9	98.8	104.4
Q2	85.6	105.1	96.7	96.3	108.4	99.2	98.6	104.4
Q3	85.0	105.7	96.2	94.9	109.9	99.7	98.9	104.7
Q4	84.4	106.7	96.5	96.6	110.4	100.0	99.0	105.3
1998 Q1	83.5	108.4	97.6	101.3	112.9	100.3	100.8	105.5
Q2	83.1	109.3	98.4	99.8	114.1	99.8	101.3	105.5
Q3	83.5	110.5	96.9	99.1	115.3	100.4	101.5	105.5
Q4	83.5	111.7	97.3	99.1	117.5	100.8	101.7	105.5
1999 Q1	83.5	113.4	97.8	105.3	119.4	101.4	101.8	105.5
Q2	83.4	114.9	98.1	102.6	120.7	102.5	101.9	105.6
Q3	83.3	116.9	99.6	103.0	121.0	103.9	101.9	105.6
Q4	83.3	118.7	101.4	104.6	121.3	104.3	101.7	105.6
2000 Q1	83.3	120.3	102.3	105.7	121.7	104.3	101.8	105.9
Percentage change, latest quarter on previous quarter								
1996 Q1	.	0.8	.	.	.	0.0	0.2	0.3
Q2	.	0.4	.	1.3	.	0.4	-0.3	-0.2
Q3	.	0.5	-0.2	-0.7	.	-1.6	-1.1	-0.9
Q4	.	0.9	1.0	-2.3	.	0.0	0.0	3.9
1997 Q1	.	0.9	2.1	1.5	.	0.2	0.0	0.3
Q2	-2.8	0.8	0.6	-1.9	1.2	0.3	-0.2	0.0
Q3	-0.6	0.6	-0.5	-1.4	1.4	0.5	0.3	0.3
Q4	-0.8	0.9	0.3	1.8	0.5	0.3	0.1	0.6
1998 Q1	-1.0	1.6	1.1	4.8	2.2	0.3	1.8	0.2
Q2	-0.4	0.9	0.8	-1.4	1.1	-0.5	0.5	0.0
Q3	0.4	1.1	-1.5	-0.7	1.0	0.6	0.2	0.0
Q4	0.0	1.1	0.4	0.0	1.9	0.3	0.1	0.0
1999 Q1	0.0	1.5	0.5	6.3	1.6	0.6	0.1	0.0
Q2	-0.1	1.3	0.3	-2.6	1.0	1.1	0.1	0.1
Q3	-0.1	1.8	1.6	0.5	0.2	1.4	0.0	0.0
Q4	0.0	1.5	1.9	1.5	0.3	0.4	-0.2	0.0
2000 Q1	0.0	1.4	0.9	1.0	0.4	0.0	0.0	0.3
Percentage change, latest quarter on corresponding quarter of previous year								
1996 Q1	.	2.0	.	.	.	.	0.1	2.7
Q2	.	2.0	.	.	.	.	-0.1	1.2
Q3	.	2.2	.	.	.	-1.2	-1.3	-0.2
Q4	.	2.7	.	.	.	-1.3	-1.2	3.0
1997 Q1	.	2.8	.	-0.2	.	-1.0	-1.3	3.0
Q2	.	3.2	3.5	-3.4	.	-1.1	-1.2	3.3
Q3	.	3.3	3.2	-4.1	.	1.0	0.2	4.5
Q4	.	3.3	2.5	-0.1	.	1.3	0.3	1.1
1998 Q1	-5.2	4.0	1.5	3.1	5.5	1.4	2.1	1.1
Q2	-2.9	4.1	1.8	3.6	5.3	0.6	2.8	1.1
Q3	-1.8	4.5	0.8	4.4	4.9	0.7	2.6	0.8
Q4	-1.0	4.8	0.8	2.5	6.4	0.8	2.6	0.2
1999 Q1	0.0	4.7	0.2	4.0	5.8	1.1	0.9	0.0
Q2	0.3	5.1	-0.3	2.8	5.7	2.6	0.6	0.1
Q3	-0.3	5.8	2.7	4.0	4.9	3.4	0.4	0.1
Q4	-0.2	6.2	4.2	5.6	3.2	3.5	0.1	0.1
2000 Q1	-0.2	6.1	4.7	0.3	1.9	2.9	0.0	0.4

Table 4: Corporate Services Price Indices (PROTOTYPE) (1995=100) (continued)

	Translation & interpretation services	Adult education	Sewerage services	Waste disposal	Commercial washing & dry cleaning	Experimental top-level (incl rent) CSPI	Experimental top-level (excl rent) CSPI
SIC(92):	74.83 (part)	80.42	90.10	90.20	93.01		
1995 weights (%):							
(including property rentals)	0.16	0.61	1.40	2.52	0.61	100.00	..
(excluding property rentals)	0.23	0.91	2.07	3.74	0.90	..	100.00
Annual							
1995	..	100.0	100.0	100.0	..	100.0	100.0
1996	..	103.4	105.5	111.3	..	102.5	102.8
1997	..	108.5	109.9	126.8	..	105.1	104.9
1998	106.9	111.1	114.1	129.0	108.9	108.0	107.1
1999	108.5	114.7	118.1	138.1	112.1	111.6	109.4
Percentage change, latest year on previous year							
1996	.	3.4	5.5	11.3	.	2.5	2.8
1997	.	4.9	4.2	13.9	.	2.5	2.1
1998	.	2.4	3.8	1.8	.	2.8	2.1
1999	1.5	3.2	3.4	7.0	2.9	3.3	2.2
Quarterly results (not seasonally adjusted)							
1995 Q1	..	99.4	95.8	95.4	..	99.2	99.0
Q2	..	100.1	101.4	98.8	..	99.7	99.6
Q3	..	99.9	101.4	101.7	..	100.2	100.2
Q4	..	100.6	101.4	104.1	..	100.8	101.0
1996 Q1	..	102.7	101.4	105.4	..	101.4	101.4
Q2	..	103.4	106.8	107.1	..	102.0	102.1
Q3	..	103.6	106.8	109.2	..	102.3	102.2
Q4	..	104.1	106.8	123.7	..	103.9	104.3
1997 Q1	..	107.2	106.8	126.4	..	104.0	103.9
Q2	..	107.3	111.0	125.9	..	104.9	104.9
Q3	106.5	108.8	111.0	126.8	106.5	105.5	105.4
Q4	106.6	110.7	111.0	128.0	107.7	105.9	105.6
1998 Q1	106.9	111.1	111.0	128.5	107.3	106.9	106.2
Q2	106.7	110.9	115.2	129.2	109.2	107.9	107.2
Q3	106.9	110.7	115.2	128.9	109.8	108.4	107.4
Q4	107.1	111.9	115.2	129.3	109.4	109.0	107.6
1999 Q1	108.5	113.9	115.2	130.9	110.5	110.1	108.5
Q2	108.6	114.4	119.0	139.6	112.5	111.0	109.1
Q3	108.5	115.0	119.0	140.8	112.4	112.0	109.6
Q4	108.5	115.4	119.0	140.9	112.9	113.2	110.6
2000 Q1	108.6	117.7	119.0	141.7	115.2	114.0	110.9
Percentage change, latest quarter on previous quarter							
1996 Q1	.	2.0	0.0	1.2	.	0.6	0.5
Q2	.	0.8	5.3	1.7	.	0.5	0.6
Q3	.	0.2	0.0	2.0	.	0.3	0.1
Q4	.	0.4	0.0	13.3	.	1.6	2.1
1997 Q1	.	3.0	0.0	2.2	.	0.2	-0.3
Q2	.	0.1	3.9	-0.4	.	0.9	0.9
Q3	.	1.4	0.0	0.7	.	0.5	0.4
Q4	0.1	1.7	0.0	0.9	1.1	0.4	0.2
1998 Q1	0.2	0.3	0.0	0.4	-0.4	0.9	0.6
Q2	-0.1	-0.2	3.8	0.5	1.7	0.9	0.9
Q3	0.2	-0.2	0.0	-0.2	0.6	0.5	0.2
Q4	0.2	1.1	0.0	0.3	-0.4	0.5	0.2
1999 Q1	1.3	1.8	0.0	1.2	1.0	1.0	0.8
Q2	0.0	0.4	3.3	6.7	1.8	0.8	0.6
Q3	0.0	0.5	0.0	0.8	-0.1	0.9	0.5
Q4	0.0	0.4	0.0	0.1	0.5	1.1	0.9
2000 Q1	0.1	2.0	0.0	0.6	2.0	0.7	0.3
Percentage change, latest quarter on corresponding quarter of previous year							
1996 Q1	.	3.3	5.8	10.4	.	2.2	2.4
Q2	.	3.3	5.3	8.4	.	2.3	2.5
Q3	.	3.7	5.3	7.4	.	2.0	1.9
Q4	.	3.4	5.3	18.8	.	3.1	3.3
1997 Q1	.	4.5	5.3	20.0	.	2.6	2.5
Q2	.	3.7	3.9	17.6	.	2.9	2.8
Q3	.	5.1	3.9	16.1	.	3.2	3.1
Q4	.	6.4	3.9	3.4	.	2.0	1.2
1998 Q1	.	3.6	3.9	1.6	.	2.8	2.2
Q2	.	3.3	3.8	2.6	.	2.8	2.2
Q3	0.4	1.7	3.8	1.7	3.1	2.8	1.9
Q4	0.4	1.1	3.8	1.1	1.5	2.9	2.0
1999 Q1	1.6	2.5	3.8	1.9	3.0	3.0	2.1
Q2	1.7	3.2	3.3	8.1	3.0	2.9	1.8
Q3	1.5	3.8	3.3	9.2	2.3	3.3	2.1
Q4	1.4	3.1	3.3	8.9	3.2	3.9	2.7
2000 Q1	0.1	3.3	3.3	8.2	4.2	3.6	2.3

Notes to Table 4

1. There are external sources for the following indices as follows:

<u>Indices</u>	<u>Source</u>
Property rental payments	Investment Property Databank (IPD)
Car contract hire and maintenance and repair of motor vehicles	Yewtree.com Ltd
Construction plant hire	Construction Plant Hire Association (CPA)
Business telecommunications	Published sources: Tarifica Telecom Pricing Intelligence and What Cellphone magazine
Sewerage services	Of WAT (Office of the Water Regulator)
National post parcels	Parcel Force

2. The weights shown do not sum to 100 because, although the indices for *business air fares* and *national post parcels* are included in the calculation of the prototype top-level CSPI, they are not shown separately as they are disclosive.